

**BAKER
DONELSON**
BEARMAN & CALDWELL, PC

JOE A. CONNER
Direct Dial: (423) 752-4417
Direct Fax: (423) 752-9327
E-Mail Address: jconner@bdbc.com

RECEIVED

1800 REPUBLIC CENTRE
633 CHESTNUT STREET
CHATTANOOGA, TENNESSEE 37450
PHONE: 423.756.2010
FAX: 423.756.3447

'02 OCT 15 PM 2 02

October 15, 2002

TN REGULATORY AUTHORITY
DOCKET ROOM

VIA FACSIMILE NO. (615) 532-2910
AND FIRST CLASS U.S. MAIL

Mr. Russell T. Perkins
Deputy Director
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

VIA FACSIMILE NO. (615) 532-2910
AND FIRST CLASS U.S. MAIL

Mr. Timothy C. Phillips
Assistant Attorney General
Office of the Attorney General
Consumer Advocate & Protection Division
P.O. Box 20207
Nashville, TN 37202

Re: United Cities Gas Company, Division of Atmos Energy Corporation Incentive Plan
Account (IPA) Audit; TRA Docket No. 01-00704

Dear Russell and Tim:

Enclosed are copies of the minutes from the regular meeting of the Board of Directors of the United Cities Gas Company on April 28, 1995, July 28, 1995, and May 3, 1996. I have provided the portion of the minutes which specifically references the PBR.

If you should have any questions, please do not hesitate to contact me.

Very truly yours,



Joe A. Conner
For the Firm

JAC:seo

Enclosures

cc: Mr. Jon N. Wike (w/enc. - via fax)
Mr. Richard Collier (w/enc. - via fax)

C JAC 257834 v1
830844-00077 10/15/2002

TENNESSEE · MISSISSIPPI · GEORGIA · WASHINGTON, D.C. · BEIJING, CHINA

Representative Office, BDBC International, LLC

**MINUTES OF THE
ANNUAL MEETING OF SHAREHOLDERS
UNITED CITIES GAS COMPANY
APRIL 28, 1995**

The Annual Meeting of Shareholders of United Cities Gas Company, a Corporation organized under the laws of the State of Illinois and the Commonwealth of Virginia, was convened pursuant to the provisions of the By-laws, in the fifth floor auditorium of the First American Center, 326 Union Street, Nashville, Tennessee, at 10:30 a.m., local time, on the 28th day of April, 1995.

Mr. Dwight C. Baum presided as Chairman of the meeting and Mrs. Shirley M. Hawkins, the Corporate Secretary, recorded the minutes thereof.

Mr. Baum called the meeting to order and welcomed the shareholders and guests. He introduced the Directors of the company, namely: Mr. Thomas J. Garland, Jr.; Mr. Vincent J. Lewis; Mr. Dennis L. Newberry II; Mr. Stirton Oman, Jr.; Mr. Timothy W. Triplett; Mr. George C. Woodruff, Jr.; and Mr. Gene C. Koonce.

Mr. Dale A. Keasling, who is a candidate for election to the Board of Directors was also introduced.

Mr. Baum requested Mr. Gene C. Koonce, President and Chief Executive Officer, to conduct the balance of the meeting and make his annual report.

Page 7
Minutes of the Annual
Meeting of Shareholders
April 28, 1995

[REDACTED]

[REDACTED]

In the areas of regulation, the Tennessee Public Service Commission approved an incentive rate plan for our company's Tennessee operations. If we are able to bring natural gas to our markets at a cost below certain industry indices, the shareholders will share the savings with our customers.

[REDACTED]

MINUTES OF THE REGULAR
MEETING OF THE BOARD OF DIRECTORS OF
UNITED CITIES GAS COMPANY
JULY 28, 1995

The Chairman of the Board, Mr. Dwight C. Baum, called the meeting to order at 8:30 a.m., at the offices of Blackwell, Sanders, Matheny, Weary and Lombardi, Suite 1200, 40 Corporate Woods, Overland Park, Kansas. He stated that all Directors were present, namely: Messrs. Dwight C. Baum; Thomas J. Garland; Dale A. Keasling; Gene C. Koonce; Vincent J. Lewis; Dennis L. Newberry II; Stirton Oman, Jr.; Timothy W. Triplett and George C. Woodruff, Jr.

Also present, with consent of the Directors, were the senior officers of the company: Mr. Thomas R. Blose, Jr.; Mr. James B. Ford; Mrs. Shirley M. Hawkins and Mr. Glenn B. Rogers. Mr. Mark Thessin and Mr. Jim Baum were also invited to attend the meeting.

Mr. Baum stated that a copy of the minutes of the April 28, 1995, meeting had been provided to each Director and asked if there were any corrections or additions. Mr. Newberry referenced certain language in the resolution providing for the sale of property and made suggested changes. Following a brief discussion, these changes were agreed to and on a motion made by Mr. Newberry and seconded by Mr. Oman, the minutes were approved subject to the changes being made.

Minutes of the Board of Directors
United Cities Gas Company
July 28, 1995
Page 7

Mr. Rogers next reported on the activities of the gas supply and marketing departments as well as the propane operations.

He stated that the new Incentive Gas Supply Plan was approved in Tennessee which should generate up to \$300,000 annually to company pre-tax revenues. We will ask the Commission to approve a more appropriate division of the cost savings when they review the incentive plan at the end of the first year.

[REDACTED]

[REDACTED]

ANNUAL MEETING OF THE
BOARD OF DIRECTORS OF
UNITED CITIES GAS COMPANY

MAY 3, 1996

The Chairman, Mr. Dwight C. Baum, convened a meeting of all Directors of United Cities Gas Company, namely: Messrs. Dwight C. Baum; Jerry Ballengee; Thomas J. Garland; Dale A. Keasling; Gene C. Koonce; Vincent J. Lewis; Dennis L. Newberry II; Stirton Oman, Jr.; Timothy W. Triplett and George C. Woodruff, Jr. at 3:00 p.m., May 2, 1996, at the offices of the Company. Mr. Baum stated that with the consent of the Directors, the meeting would begin and all actions taken would require conformation at the regularly scheduled Board meeting to be held May 3, 1996.

With the consent of the Directors, the Chairman invited Mr. Richard W. Cardin, a nominee for election as a Director of the company, and the Senior Officers of the company: Thomas R. Blose, Jr.; James B. Ford; Shirley M. Hawkins and Glenn B. Rogers to attend the meeting.

Mr. Baum reported that the minutes of the February 3, 1996, meeting of the Board had been mailed to each Director and asked for any corrections or additions. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Minutes of the Board of Directors
United Cities Gas Company
May 3, 1996
Page 11

[REDACTED]

[REDACTED]

A signed order is expected shortly from the Tennessee Public Service Commission expanding the performance-based ratemaking incentives recommended by Arthur Andersen Consulting. This will increase the opportunities for increasing income by raising the earnings cap from \$25,000 monthly to \$600,000 annually.

[REDACTED]

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
1800 REPUBLIC CENTRE - 633 CHESTNUT STREET
CHATTANOOGA, TENNESSEE 37450

(423) 756-2010

Facsimile
(423) 756-3447

FACSIMILE TRANSMISSION FORM
PLEASE DELIVER IMMEDIATELY

DATE: October 15, 2002 **TIME:** 9:24 AM

DELIVER TO: **FACSIMILE PHONE NO.:**

Russell Perkins (615) 532-2910
Tim Phillips (615) 532-2910
Jon Wike (615) 741-5015
Richard Collier (615) 741-5015

FROM: Joe A. Conner

PHONE NO.: (423) 752-4417

FACSIMILE PHONE NO. (423) 752-9527

USER NO.: 0257

CLIENT/MATTER NO.: 830844-00077

MESSAGE:

Note: This facsimile contains PRIVILEGED and CONFIDENTIAL information intended only for the use of the specific individual or entity named above. If you or your employer are not the intended recipient, you are hereby notified that any unauthorized dissemination or copying of this facsimile or the information contained in it is strictly prohibited. If you have received this facsimile in error, please immediately notify the person named above at once by telephone and return the original facsimile to us at the above address via the U.S. Postal Service. Thank you.